



## **CAFTA FACTS**

### **Environmental Groups Oppose CAFTA**

**Prepared By the Office of Congressman Sherrod Brown**

#### **Who Opposes CAFTA?**

Center for International Environmental Law · Defenders of Wildlife · Earthjustice · Friends of the Earth · League of Conservation Voters · National Environmental Trust · Natural Resources Defense Council · National Wildlife Federation · Sierra Club · U.S. Public Interest Research Group

#### **What's Wrong With CAFTA?**

##### No Environmental Standards At All

CAFTA does not require Central American nations to move toward environmental parity with the United States. CAFTA does not even require America's trading partners to maintain the laws they happen to have today. CAFTA nations could weaken or repeal their environmental laws entirely without violating the agreement. CAFTA does not require that Central American nations meet any environmental protection standards at all.

Compare that lax approach to CAFTA's commercial, intellectual property, and investor protection provisions. Those provisions all require Central American nations to meet standards comparable to or more stringent to the US. For example, the IP provisions give multinational drug companies greater protections in Central American countries than in the US.

##### Toothless Environmental Enforcement

CAFTA's one and only environmental requirement is that signatory nations enforce whatever environmental laws. But even that is a toothless provision. If a Central American nation fails to enforce its environmental laws, CAFTA's maximum penalty is \$15 million a year.

Again, compare that approach to CAFTA's commercial, intellectual property, and investor protection provisions. Violation of any of those provisions are punishable by unlimited trade sanctions and unlimited damages.

##### Puts US Environmental Laws At Risk

When US governments enact or enforce environmental protection laws that affect the business interests of giant multinational corporations, CAFTA's investor suit provisions allow those corporations to sue in an un-elected, unaccountable tribunal whose mandate is trade promotion, not environmental protection.

CAFTA's provisions are similar to the infamous "Chapter 11" provisions in NAFTA, which have provided a forum for successful challenges by multinational corporations to environmental laws in Canada and Mexico.

The US is currently spending tax dollars to defend against multinationals' Chapter 11 suits over mining laws and bans on the gasoline additive MTBE, which has contaminated drinking water supplies serving millions of Americans. The MTBE suit alone seeks \$1 billion in damages.

### **How Can We Do Better?**

#### Hold Trading Partners to Responsible Standards

Require our trading partners to adopt responsible environmental protection laws and make progress toward standards comparable to those maintained by the US. This prevents a "race-to-the-bottom" on environmental standards.

#### Provide Real Remedies for Environmental Violations

Make violations of trade agreements' environmental provisions punishable on the same basis as violations of commercial, IP, and investor protection provisions – fines, sanctions or damages without arbitrary and nominal limits.

#### Protect US Environmental Laws

Ensure the rights of government to regulate a public nuisance – like pollution released from a property – without compensating the property owner. Protect the government's ability to take actions that affect personal property – such as banning the sale of a hazardous chemical – without paying compensation.

### **Where Can I Get More Information?**

<http://www.foe.org/camps/intl/greentrade/>

<http://www.sierraclub.org/trade/cafta/>